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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

Report Date: August 18, 2006

Supervisor

[Signature]

Mine Name: Dove Creek Pass

Operator Name: Terra Resources LLC (Jeff Sagers)

Permit number: S0030052

Inspection Date: 08/09/2006

Time: 4:00 pm

Inspector(s): Lynn Kunzler

Other Participants: None

Mine Status: inactive

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Routine inspection while in the area.

Inspection Summary:

1. The last mining occurred at this site in 2000. Stockpiled rock was being removed in May of 2001. It has now been over 5 years since there has been any activity at this site. In September of 2000, The Division received a notice from SITLA that the lease was going to be cancelled. This was action was confirmed today via a phone call with SITLA. The effective date of the lease cancellation was September 1, 2000. To date, the operator has not reapplied for the mineral lease.

The Operator has not paid the annual permit fee for this site, therefore the permit is considered suspended at this time.

The disturbed area was surveyed with the GPS to determine the acreage that had been affected by this operation. Areas surveyed included the South Pit, the North Pit, and the Staging area.

10. With over five years of inactivity, volunteer vegetation is starting to re-establish on cuts and pads. Unfortunately, the scars of mining are still visible (the site was never regraded). Doing the reclamation work will re-disturb some of this vegetation.

Inspection Date: August 9, 2006; **Report Date:** August 18, 2006
M0030052

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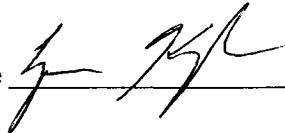
Conclusions and Recommendations:

Results of the GPS survey revealed approximately 5.7 acres of disturbance. In addition to the three areas surveyed, there is also about 1/2 acre of access road to the South Pit that should be reclaimed as well.

With over five years since the site was last active, and the fact that the operator no longer has the right to extract the mineral, the Division should send the operator a letter requesting reclamation be completed this fall. An option would be to obtain the mineral lease and submit a Notice of Intent to Commence Large Mining Operations (since there is over 5 acres of disturbance at this site). Failure to do either of these options should be considered a violation with appropriate enforcement action being taken.

(Note: The Division's GIS specialist had surveyed this site on July 18, 2006. He reported 9.82 acres of disturbance. However, a portion of his survey involved the historic Snow King Claims disturbance that was not part of this operation.)

Inspector's Signature _____



Date: _____

8-18-06

LK:pb

cc: John Blake, SITLA

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